



FOR IMMEDIATE RELEASE
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SIX CHARGED IN 53-COUNT INDICTMENT FOR BANK FRAUD, MAIL FRAUD AND OTHER CHARGES

PHOENIX- A federal judge in Phoenix unsealed a 53-count indictment today filed against Lawrence William Dunning, 75, of Highland Beach, Fla.; Eric Jon Strasser, 44, of Las Vegas; Phillip Eugene Vigarino, 32, of Phoenix; and Robert Kenneth Rehm, 60; Paul Jeffrey Meka, 65; and James Marshall Boyce, 60, all of Scottsdale, Ariz., for Bank Fraud, False Statement on Loan Applications, Conspiracy to Commit Mail Fraud, Mail Fraud and Promotional Money Laundering. All six appeared in federal court for their initial court appearances throughout various dates in January and have all been released pending trial. The original trial date for all defendants was set for February 19, 2008 but for some defendants that date has been continued until at least April 2008.

The indictment alleges that from July 2000 to October 2000, Dunning, Rehm and Boyce engaged in a scheme to defraud two Arizona banks of funds in relation to real estate loans. Rehm is also alleged to have made false statements concerning his assets and income in two related real estate loan applications. The funds obtained from the loans were used, in part, to repay investors to avoid the collapse of Dunning's business, which was engaged in making loans to borrowers with investors' funds. Dunning represented to investors that their investments were secured by borrowers' real estate.

The indictment further alleges that, between September 1999 to March 2003, Dunning, through his company, American National Mortgage Partners (ANMP), defrauded investors by soliciting investments in loans to borrowers which were purportedly secured by borrowers' real estate. ANMP failed to secure investors' funds with real estate, used investor funds to pay ANMP's operating expenses and made fraudulent interest payments to investors to create the impression that the loans were viable. The indictment alleges that Strasser managed ANMP's operations, and that Vigarino and Meka solicited investments in ANMP's fraudulent program. Dunning is also alleged to have committed money laundering by using investors' funds to promote ANMP's investment scheme.

A conviction for Bank Fraud carries a maximum penalty of 30 years in federal prison, a \$1,000,000 fine or both; a conviction for False Statement on Loan Application carries a maximum penalty of 30 years in federal prison, a \$250,000 fine or both; a conviction for Conspiracy carries a maximum penalty of five years in federal prison, a \$250,000 fine or both; a conviction for Mail Fraud carries a maximum penalty of 20 years in federal prison, a \$250,000 fine or both; and a conviction for Promotional Money Laundering carries a maximum penalty of 20 years in federal prison, a \$250,000 fine or both. In determining an actual sentence, Judge Mary H. Murguia will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

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An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Internal Revenue Service – Criminal Investigation, the U.S. Postal Inspection Service and the Federal Bureau of Investigation. The prosecution is being handled by John R. Lopez IV, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-07-1390-PHX-MHM
RELEASE NUMBER: 2008-014(Dunning et al)

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